

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Timothy E. McKee, Chair
Susan M. Seltsam
John Wine

In the Matter of a General Investigation)
in to Universal Service,) Docket No. 191,206-U
Telecommunications Infrastructure, and)
Quality of Service.)

ORDER

NOW, the above-captioned matter comes for consideration and determination before the State Corporation Commission of the State of Kansas (Commission). Having examined its files and records, and being duly advised in the premises, the Commission finds as follows:

I. Background

1. On August 11, 1994, the Commission issued an Order opening the above-captioned general investigation into universal service, telecommunications infrastructure modernization and quality of service.

2. On February 5, 1996, Commission staff (Staff) filed a Motion to Consolidate Issues from Docket No. 191,206-U into the Competition Docket, Docket 190,492-u. On April 4, 1996, the Commission granted Staff's motion by consolidating all issues from the above-captioned docket, except the' quality of service issue, into Docket 190,492-U. Because the quality of service issue involves

many technical and reporting issues, the Commission determined it should remain in the above-captioned docket.

3. On May 17, 1996, Senate Substitute for Substitute for House Bill No. 2718 (1996 Kansas Act) was signed into law. Section 3(l) of the 1996 Kansas Act requires the Commission to “initiate and complete a proceeding to establish minimum quality of service standards which will be equally applicable to all local exchange carriers and telecommunications carriers in the state” not later than January 1, 1997. The 1996 Kansas Act provides for fines between \$100 and \$5,000 for each quality of service violation.

4. On October 2, 1996, the Commission issued an order requesting comments from facilities-based interexchange carriers regarding how to carry-out House Bill 2728’s quality of service provision.

5. On November 12, 1996, Southwestern Bell Telephone Company (SWBT) filed a Motion for Leave to file comments in this docket.

6. On November 15, 1996, the Commission granted SWBT’s Motion for Leave to file comments.

7. On December 4, 1996, the Commission received a memorandum from Staff summarizing the comments received from AT&T Communications of the Southwest, Inc. (AT&T), MCI, and SWBT. AT&T stated “quality of service standards” should be required only if competitive market forces do not exist. MCI stated “interexchange carriers are currently subjected to the most rigorous quality of service standards imposed by the marketplace - customer choice.” SWBT stated

“customer choice is the most effective quality assurance plan for monitoring telecommunications in Kansas.”

II. Discussion

8. Staff agreed with respondents' comments regarding the market's effect on quality of service. Staff stated customers may presently obtain interexchange service from a multitude of interLATA interexchange carriers. Staff also stated Section 6(a) of the 1996 Kansas Act requires that by July 1998, 100% of access lines be equipped for equal access service. Staff noted that as of December 1, 1996, close to 100% of the access lines in Kansas were equipped for equal access service. Staff also stated interLATA interexchange carriers have been price deregulated for several years and quality of service has been consistently high as evidenced by the low number of service quality complaints received by the Commission since 1990. Staff also stated the FCC imposes no quality of service standards on interexchange carriers because competition among providers has insured customers receive high quality service. Staff also stated that a majority of service problems occur in either the originating or terminating local exchange carrier's networks and that recently established quality of service standards for local exchange carriers will monitor such problems.

9. To comply with the 1996 Kansas Act's directive to establish minimum quality of service standards, Staff proposed that the following quality assurance standards be established: (1) that interLATA interexchange carriers provide reasonably sufficient and efficient service to their customers as indicated by not

more than four bona fide quality of service complaints received by the Commission in a rolling twelve month period; (2) that upon receipt of more than four such complaints in a rolling twelve month period, the Commission will initiate a service investigation that may result in the imposition of fines, in accordance with Section 3(l) of the 1996 Kansas Act. Staff also proposed that telecommunications carriers that perform local exchange carrier (LEC) functions be subject to the LEC quality of service standards for that part of their network.

III. Findings & Conclusions

10. The Commission finds and concludes that Staffs recommendation is reasonable. The Commission finds that competition among interLATA interexchange carriers has resulted in high service quality. The Commission also finds and concludes that a majority of all service problems occur in either the originating or terminating local exchange carrier's networks and that recently established quality of service standards for local exchange carriers will monitor such problems. The Commission also finds and concludes that Staffs quality of service standards for interLATA interexchange carriers are reasonable. The Commission finds that interLATA interexchange carriers should provide reasonably sufficient and efficient service to their customers as indicated by not more than four bona fide quality of service complaints received by the Commission in a rolling twelve month period. The Commission further finds and concludes that upon receipt of more than four such complaints per year, the Commission shall initiate a service investigation that may result in the imposition of fines, in accordance with Section

3(l) of the 1996 Kansas Act. The Commission also finds and concludes that telecommunications carriers that perform local exchange carrier (LEC) functions will be subject to the LEC quality of service standards for that portion of their network.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

Quality of service standards for all interLATA interexchange carriers are established as set forth above.

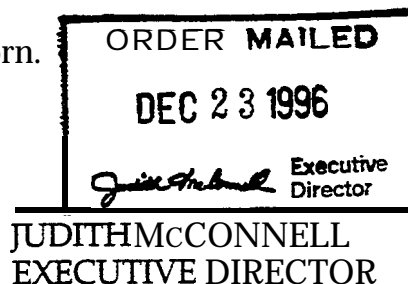
Any party may file a petition for reconsideration of this order within fifteen days of the date this order is served. If service is by mail, service is complete upon mailing and three days may be added to the above time frame.

The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further order or orders as it may deem necessary.

BY THE COMMISSION IT IS SO ORDERED.

McKee, Chr.; Seltsam, Corn.; Wine, Corn.

Dated: DEC 19 1996



MD

ORDERMAILED DEC 23 1996